

## The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

## **MEMORANDUM**

TO: Electric Distribution Companies and Interested Persons

FROM: Laurie Ellen Weisman, Hearing Officer

RE: Report of the Department of Public Utilities regarding the impact of the

existing basic service adjustment mechanism on the competitive retail electricity market pursuant to Section 102 of the Green Communities Act,

Chapter 169 of the Acts of 2008, D.P.U. 09-26.

DATE: March 16, 2009

CC: Department of Energy Resources

Attached Service List

Section 102 of An Act Relative to Green Communities, Chapter 169 of the Acts of 2008 ("Section 102"), directs the Department of Public Utilities ("Department") to hold a public hearing to examine the impact of the existing basic service adjustment mechanism on the competitive retail electricity market. The electric distribution companies must provide written responses to the following questions not later than the close of business (5:00 p.m.) on **Wednesday, April 1, 2009**.

One original and five (5) copies of the responses should be filed with Mary L. Cottrell, Secretary, Department of Public Utilities, One South Station, 2nd Floor, Boston, Massachusetts 02110. All responses should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dpu.efiling@state.ma.us and the hearing officer [laurie.e.weisman@state.ma.us]; or (2) on a 3.5" disk or CD-ROM. The text of the e-mail, disk label, or CD-ROM must specify: (1) the docket number (D.P.U. 09-26); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. All documents submitted in electronic format will be posted on the Department's website: http://www.mass.gov/dpu

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## Questions

1. Please identify and describe the types of wholesale costs for which the company has afforded pass-through treatment in its basic service rates (i.e., included a proxy value in the rates, with actual costs reconciled through the basic service adjustment mechanism) since January 2005.

- 2. Please identify and describe the types of retail costs for which the company has afforded pass-through treatment in its basic service rates (i.e., included a proxy in the rates, with actual costs reconciled through the basic service adjustment mechanism) since January 2005.
- 3. For every wholesale and retail cost identified in response to Questions 1 and 2, above, please provide the following information (with supporting documentation as appropriate) on an ISO-NE load-zone-specific and customer-class-specific basis for each month since January 2005:
  - a. the proxy cents-per-kilowatt-hour ("kWh") value included in basic service rates;
  - b. the revenue collected from basic service customers through the proxy value;
  - c. the actual cents-per-kWh value paid to basic service suppliers for these costs;
  - d. the total dollars paid to basic service suppliers for these costs; and
  - e. the under-/over-recovery of these costs.
- 4. For every wholesale cost identified in response to Question 1, above, please provide the following information (with supporting documentation as appropriate) on a customer-class-specific basis for each year between 2005 and 2008:
  - a. the dollar amount recovered through the basic service adjustment mechanism because of the under-/over-recovery of these costs in basic service rates; and
  - b. the cents-per-kWh amount included in distribution rates to collect/credit the dollar amount.

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5. For each month since 2005, please provide the following information, on a customer class-specific basis:

- a. the number of customers that received generation service from a competitive supplier;
- b. the percentage of total distribution customers that received generation service from a competitive supplier;
- c. the number of kWhs consumed by customers that received generation service from a competitive supplier; and
- d. the percentage of total kWhs consumed by the company's distribution customers that received generation service from a competitive supplier.
- 6. Please identify the following:
  - a. all actions that ISO-NE, the electric distribution companies, or other entities have taken to date that have reduced the wholesale costs identified in Question 1, above; and
  - b. all actions that ISO-NE, the electric distribution companies, or other entities are expected to take over the next twelve months that should reduce the wholesale costs identified in Ouestion 1, above.
- 7. Based on the actions identified in Question 6, above, please identify the level of wholesale costs identified in Question 1, above, that you project to incur beginning July 1, 2009.
- 8. Has the company identified any wholesale costs other than those in Question 1, above, that the company believes may merit pass-through treatment in the future?